

Essex Merger Vote FAQs

Re-VOTE APRIL 13, 2021

For more information go to: www.greateressex2020.org



I already voted on merger. Why are we voting on it again?

Village residents voted on merger in November 2020. It passed. Town residents, including those in the Village, voted on merger in March 2021. It failed. Now, after a voter-backed petition requested a reconsideration of the March merger vote, voters are receiving another ballot in accordance with Vermont law (17 V.S.A. § 2661), again asking if the merger plan should be approved.

Remind me why the Town of Essex and Village of Essex Junction keep voting on merger.

The Village of Essex Junction is a municipality within the Town of Essex. The Town and the Village each has its own government and elected board with taxing authority. In past decades, the Town and Village have seen multiple efforts to merge or to separate. The latest merger effort can be traced back to 2013, when the Town and Village began sharing a single municipal manager and consolidating some municipal departments, including the Manager’s Office, the Clerk’s Office, and Finance Department.

After a few years of sharing some consolidated services, the Town Selectboard and Village Board of Trustees decided to take a more serious look at a full merger of the two municipalities. A Subcommittee on Governance formed in 2018 with members from both boards to research governance issues and develop a list of options to improve, reorganize, and update local government in Essex. Goals of better governance included economic sustainability, equal representation, tax equity, and better integrated planning. The subcommittee explored various governance options, including separation, and shared their findings with the full Selectboard and Trustees.

The two boards agreed that merger best supported the governance goals, stating, “The Village Board of Trustees and Town Selectboard believe we will be stronger together as one united community. We can work as one to plan for the future, attract and retain a vibrant business community, protect our natural resources, restore and enhance our infrastructure, improve our services, overcome challenges we face, and establish ourselves as Vermont’s premier livable community.”

Were residents asked what they wanted?

Yes. As part of the work to create a merger plan, the Selectboard and Trustees asked an independent market research firm to conduct surveys and listening sessions with residents. You can view the foundational work on www.greateressex2020.org. Both boards also held work sessions and public hearings about the proposed charters and merger plans, and revised those plans based on community input.

Why did the boards choose to put together a plan to merge instead of separating?

The Subcommittee on Governance agreed that merger would be better than separation in achieving better governance in Essex. Based on the research from the Subcommittee on Governance, feedback

from resident listening sessions and surveys, cost savings from consolidation (approximately \$3 million to date), the efficiencies of departments working together, and sharing of assets, the Trustees and Selectboard began work on a plan of merger to support a vision of one strong and united community.

<i>One Essex – merged municipalities</i>	<i>Separate Essex – The Village and Town separated</i>
<ul style="list-style-type: none">• Essex remains the second largest municipality in Vermont with strength and unity to attract and retain a vibrant business community, protect its natural resources, restore and enhance its infrastructure, improve services, overcome challenges quickly and establish Essex as Vermont's premier livable community.• Equal representation, equal taxes and equal access to services for everyone that lives in Essex. Tax advantage of all benefits of Village and Town as a whole: vibrant downtowns (Village and Essex Center), open space, parks, daycare programs, pools.• To see estimates of how merger would impact taxes for residents inside and outside the Village, please visit www.greateressex2020.org, call 878-6951 or email manager@essex.org.• Avoid duplication of services and benefit from economies of scale with investments in one Assessor, one Clerk, one Administration, one IT Department, one Public Works Department, one Recreation Department, etc.• Less time spent on governance, more time spent on strategic planning and important issues such as:<ul style="list-style-type: none">○ racial equity, housing, energy, economic development, cannabis, and readiness for other challenges, issues, and initiatives.○ comprehensive land use planning for 36 square miles and 22,000 people, with the ability to identify and retain the	<ul style="list-style-type: none">• Separation does not mean "status quo". Depending on the extent of separation, services and departments that have already been consolidated may split, likely losing savings and potential for further efficiencies. Costs may be incurred by either municipality to add staff and/or contract with another municipality – not necessarily Essex or Essex Junction – for services currently in place.• Village taxpayers will no longer pay taxes to the Town of Essex, unless tax dollars are used to contract services from the Town of Essex. To share services needed to operate each municipality – such as administration, finance, assessor, clerk, human resources, and information technology, which are currently shared – both municipalities must agree to share those services and agree to a payment structure.• Shared services and their costs would likely be governed by contracts and service agreements.<ul style="list-style-type: none">○ Beyond the length of each contract, there is no guarantee for how long these agreements or contracts would stay in place or how secure the jobs associated with them will be.○ For shared services and contracts, there will need to be a consistent reassessment of variables such as population, grand list growth, road or sidewalk mileage, service levels, etc. There may often be periods of time when the variables are off, but the

<p>unique character of places in both the Town and the Village (instead of isolated planning for 32 square miles with only 11,000 people and 4 square miles with 11,000).</p> <ul style="list-style-type: none"> ○ Connecting trails and sidewalks throughout the entire community. ○ Better opportunities for paving bids, grants, revitalization, economic stimulus, and business development as one community. ● Better recruitment for staffing and hiring by providing clearer roles and responsibilities, ending the "divided community" stigma and questions that go with it. ● Lock in savings achieved over the past 7-plus years. Avoid the need for two managers, two finance departments, two clerks, etc. As retirements, departures, and natural restructuring takes place, the cost savings will continue. ● Avoid uncertainty of separation, or sharing of services through memorandums of agreement, where boards, taxpayers, and staff may not know from year to year or every few years if contracts will remain in place, how costs will be distributed for shared services, or whether one party will pull out and seek partnership with another community. 	<p>agreements remain unchanged and in place until a new agreement is negotiated.</p> <ul style="list-style-type: none"> ○ Shared services does not mean that departments can effectively continue to consolidate, save tax dollars, or operate efficiently. Two different ways of doing things for two municipalities means that departments must retain staff and resources to support those often differing approaches or tasks. For example, the Finance Department would need to produce and maintain two budgets, two sets of accounts payable, two payrolls, two audits, two sets of records, etc. Savings may be limited to items such as having one photocopier for a department serving two municipalities. ○ Separating would drop both populations down to rank 9th and 10th in size for the state.
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What are the challenges for merging?

As the Subcommittee on Governance drafted a merger charter, the biggest challenges were to:

1. Integrate \$3.5 million of the \$5 million Village budget with the \$16 million Town budget AND
2. Maintain the high quality of municipal services residents expect and pay for AND
3. Achieve eventual tax equity between the Village and Town outside the Village AND
4. Preserve the identities of the Village and the Town outside the Village. Currently, the Town of Essex levies taxes on all properties in the Town, including the Village of Essex Junction (with the exception of a Town Highway Tax) to pay for Town expenditures. Essex Junction levies taxes only on properties in the Village to pay for Village expenditures.

I keep hearing about separation. What is the cost of separating the Town and the Village?

An exact cost cannot be known unless a detailed separation plan is proposed. For instance, will the Town and Village continue to share all services and many staff? Some services, and some staff? For shared services, would costs be allocated per capita? By tax base? By the number of calls? Staff provided some estimates about the costs of separation at the September 28, 2020 Selectboard and Trustee meeting, and again at the March 25, 2021 Selectboard meeting, but they include many assumptions, all of which could change.

Here's what's known: The Village grand list makes up 42% of the total grand list of the Town. If the Village were to become a completely separate municipality, it would keep all its property tax revenue, and the rest of the Town (the Town outside the Village) would lose that property tax revenue. Both municipalities would need to make decisions about how to pay for services, and whether to increase taxes to maintain current service levels, or cut services to limit tax increases.

Isn't the Village holding an advisory vote about separation on April 13?

Yes, the Village has a non-binding, advisory vote on April 13, 2021 asking if the Trustees should pursue separation in the event the merger vote does not pass. Per that advisory vote, the two municipalities would separate completely, with the possible exception of a shared police department.

If I vote against merger, will the Town and Village separate?

If merger fails, the Board of Trustees will consider the results of the Village's advisory vote on separation to help determine next steps, and whether or not the Village will pursue separation.

Why merge?

The Village Board of Trustees and Town Selectboard believe we will be stronger together as one united community. We can work as one to plan for the future, attract and retain a vibrant business community, protect our natural resources, restore and enhance our infrastructure, improve our services, overcome challenges we face, and establish ourselves as Vermont's premier livable community.

Aren't we already merged?

The current governance structure we have now is two separate municipalities with separate charters, sharing some municipal services under contract. The Village of Essex Junction is an incorporated municipality within the municipality of the Town of Essex.

Starting in 2013, in an effort to improve services across the entire Essex community, some municipal services were consolidated. These consolidations have reduced the amount of taxes the municipalities need to raise – a combined savings of more than \$2.8 million (see page 2 for breakdown of savings).

Why are we doing this now?

Each year that passes increases the cost of merging. Although consolidation efforts lowered the cost since the 2006/2007 vote, as long as Village taxes continue to increase, the tax impact of merger on residents outside the Village grows.

To continue consolidation efforts, the Town of Essex Selectboard and the Village of Essex Junction Board of Trustees have met jointly for the past few years and much research has been done by a joint Governance Subcommittee on possible governance structures of a merged municipality. Public input was also gathered via resident surveys and listening sessions.

Why is the Village tax rate higher than the Town's?

The Village is part of the Town so it has the same tax rate for paying taxes to the Town to support the Town's municipal services, with the exception of the Town Highway tax, which is being eliminated in fiscal year 2022. Added to that is the Village tax rate which pays for municipal services provided by the Village government. Town residents outside the Village don't pay taxes to the Village government.

Why do the Town and Village share some services but not others?

Over a hundred years ago the State allowed the village area of Essex Town to incorporate itself as a separate taxing and governing authority within the Town. The village, now known as Essex Junction, was becoming densely populated and needed municipal services that the Town didn't provide. The State still considered the Village to be part of the Town. As the rest of the Town grew and developed the Village was required to help pay for municipal services outside the Village as well as paying for its own municipal services within the Village. Over the years the Town and Village governments have integrated some Village municipal departments into the Town so that the cost is distributed throughout the community. But some Village municipal services – Brownell Library, capital repair costs, community development, fire department, and recreation – remain separate. Village residents support those services in the Village and also help support Essex Town's library, capital repair costs, community development, fire department, and recreation. Merging the Town and Village governments would dissolve the Village government and integrate those remaining services under a single town government.

Why are there two different plans?

The main difference between the Town Plan of Merger and the Village Plan of Merger is representation. Town residents approved a "3+3" representation, which means the Town Selectboard would be made up of three representatives residing in the Village and three from the Town outside of the Village. The Vermont Legislature has the final approval of this measure and have said they would take this up with the merger plan as part of a larger package. The Village plan for merger includes 3+3+1 - each part of Town with direct representation and one at-large member representing the entire community.

Despite concerns about one part of town or the other having control, there is no evidence in past years about voting spits of board along geographic lines. If both plans are approved, they will be sent to the Vermont Legislature for approval. The two plans would then be consolidated into a single plan and new municipal charter. In Vermont, the Legislature controls municipal charters and can approve, amend, or reject charters independent of the outcome of local voting

How has consolidation of some services saved money?

FY2014 - FY2019: \$2.13 Million	Total Savings	
Service	Town	Village
Manager	\$367,000	\$606,000
Finance & Admin	\$378,000	\$179,000
Stormwater & Public Works	\$344,000	\$254,000

Total Savings **\$1,089,000** **\$1,039,000 = \$2.13M**

FY2020: \$0.69 Million **Total Savings**

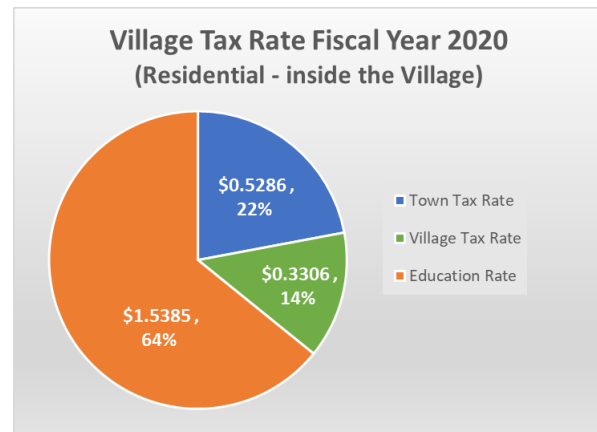
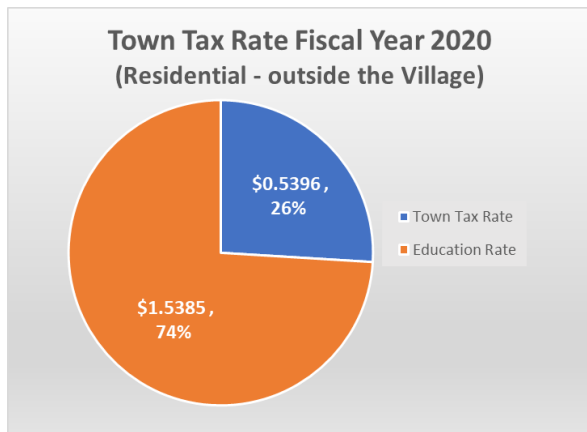
Service	Town	Village
Manager	\$67,200	\$113,500
Finance & Admin	\$194,300	\$195,600
Stormwater & Public Works	\$59,800	\$62,300
Total Savings	\$321,300	\$371,400 = \$0.69M

How would a merger affect development?

Merging the Town and Village governments wouldn't change their comprehensive plans, but, over time, it would merge them into a single document. If merger happens, the long-term evolution of the newly unified Town-Village comprehensive plan would be under the control of a single planning commission, development office, and elected board. Changes and updates would reflect the coordinated strategic vision of the entire community.

How would merger affect my property taxes?

(Please note, information in this answer is based on fiscal year 2020 budget numbers and tax rates.) Residents of the Town outside the Village currently pay municipal taxes only to the Town. Residents of the Village currently pay municipal taxes to both the Village and Town.



Does not include Town Highway Tax Rate paid only by Town outside the Village residents.

- A \$280,000 home in the Town outside the Village pays a total of \$1,510.88 in municipal taxes.
- A \$280,000 home in the Village pays a total of \$2,405.76 in municipal taxes

The Town and Village coming together means the two different levels of taxation meet somewhere between the two. The tax impact of merger would be spread over 12 years. The annual impact for residents of the Town outside the Village would be an increase between \$20 and \$30 each year over that time period. Please note:

- Actual numbers depend on assessed value.
- Education tax rates would not be impacted by merger.
- Only users of municipal water and sewer pay for these services. Residents in parts of Essex that do not have municipal water or sewer service do not pay for those services or infrastructure.
- A temporary "Village Debt Assessment District" would be established and sunset once all Village debt is paid in full by Village residents.